

# The Effects of Covid-19 on Household Welfare



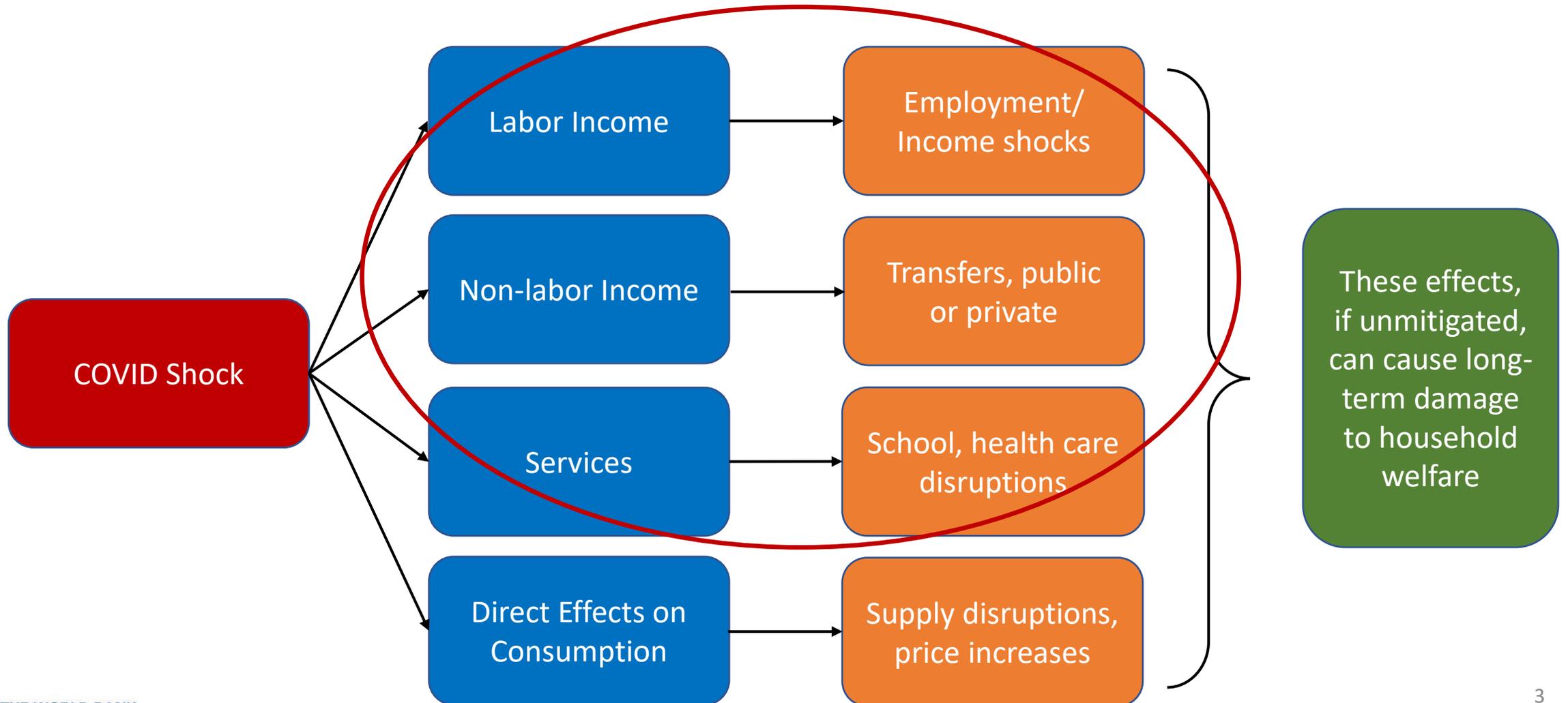
**Introductory course:  
The Economics of COVID-19 in Developing East Asia and the Pacific  
November 2021**

# Roadmap of the Presentation

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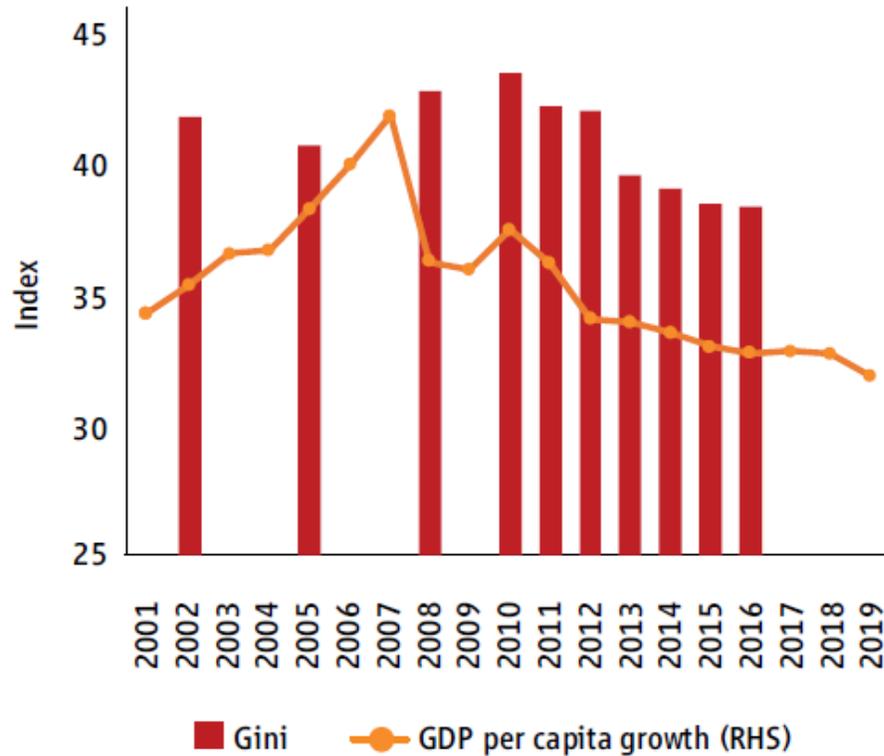
- Impact on household welfare
- Impact on education and learning
- Government support to households

# COVID is affecting household welfare through several channels

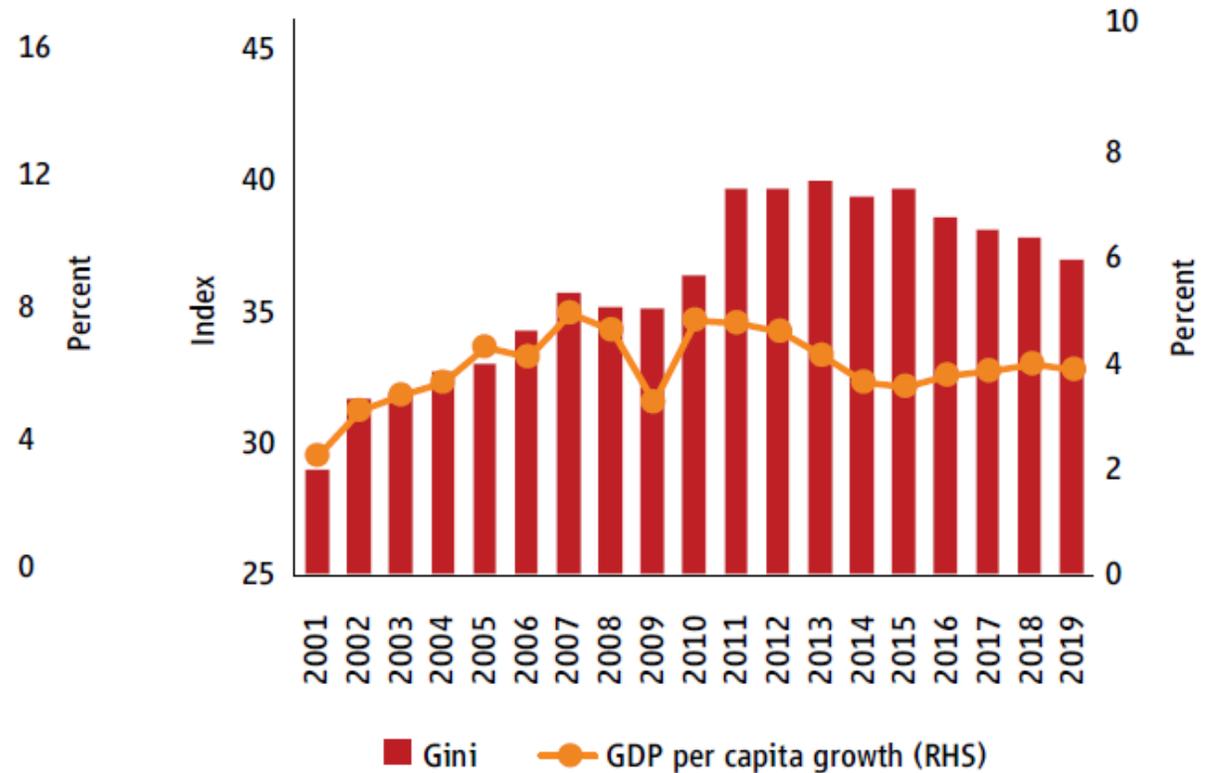


# Over the last decade inequality had been declining

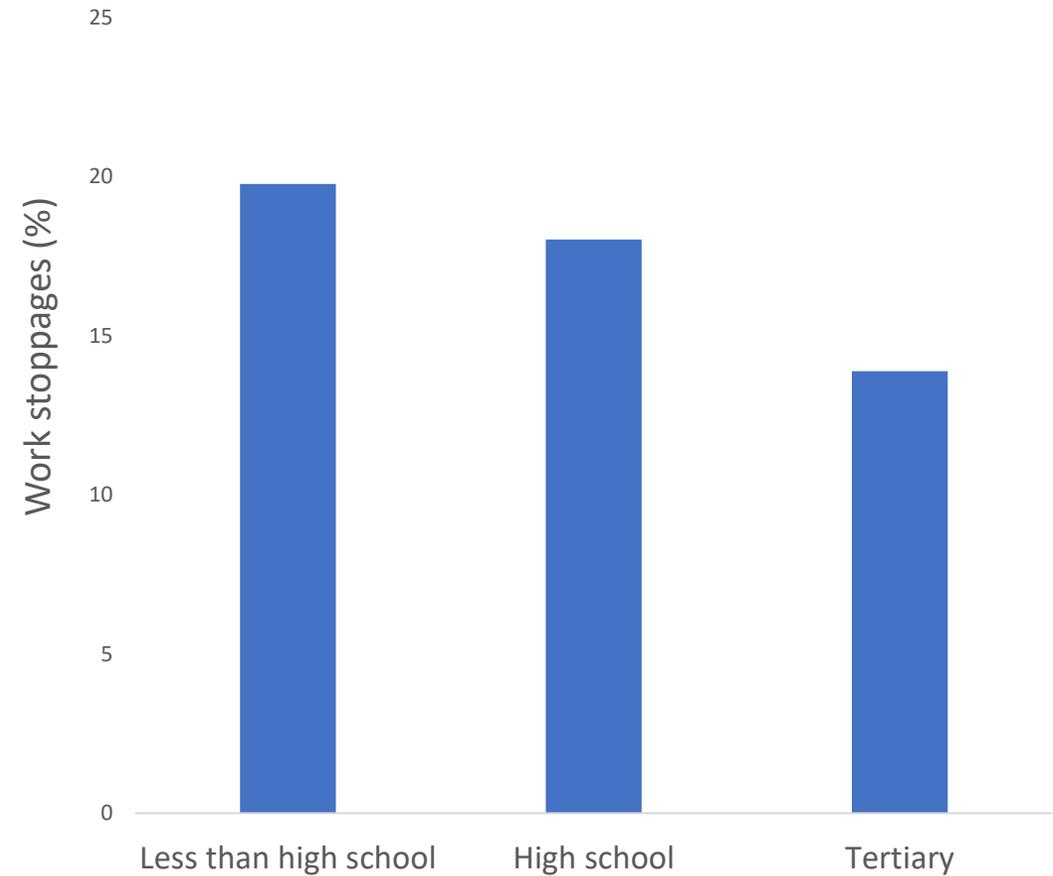
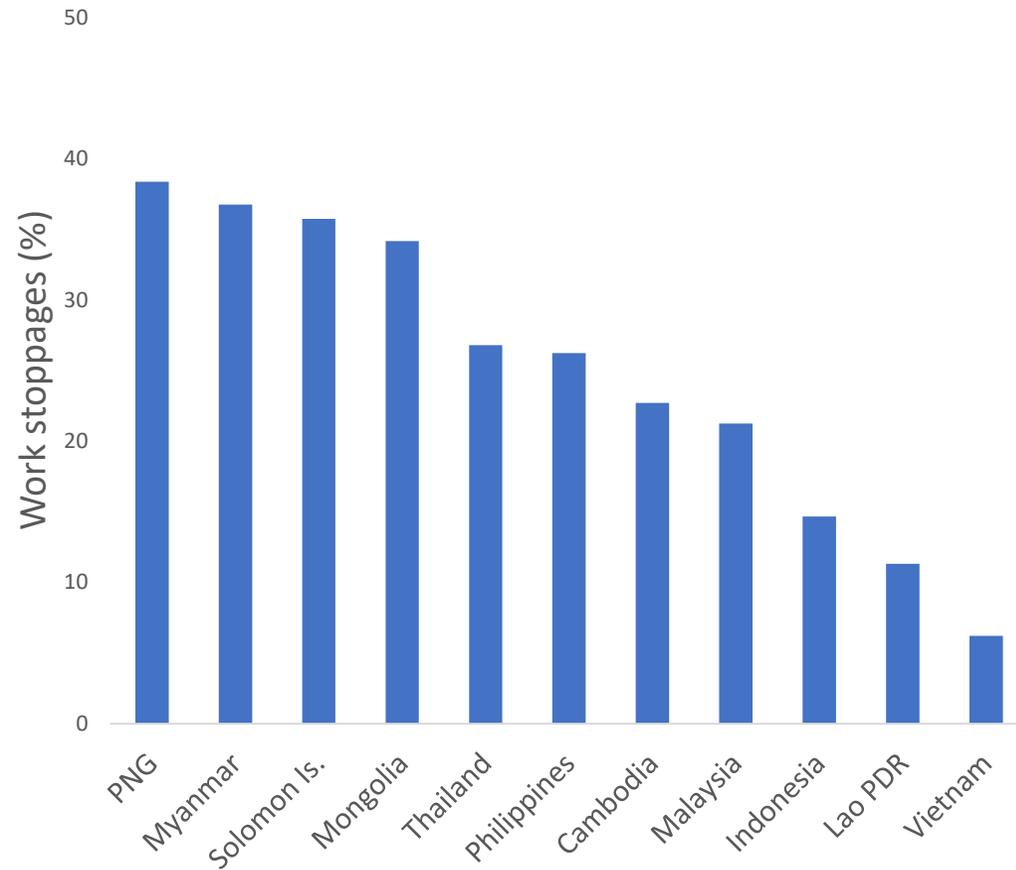
A. China



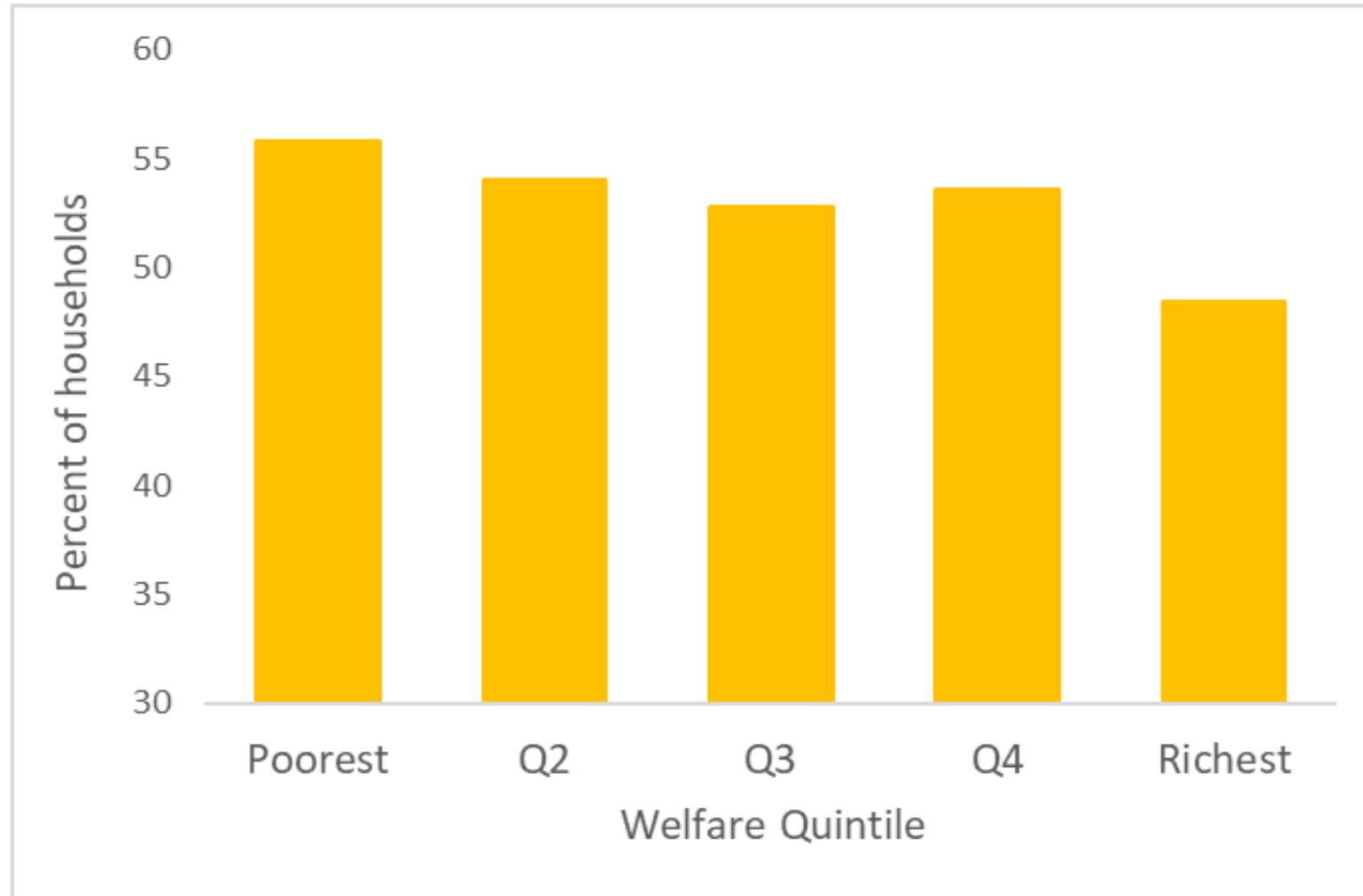
B. Indonesia



# Work stoppages have affected the less educated most

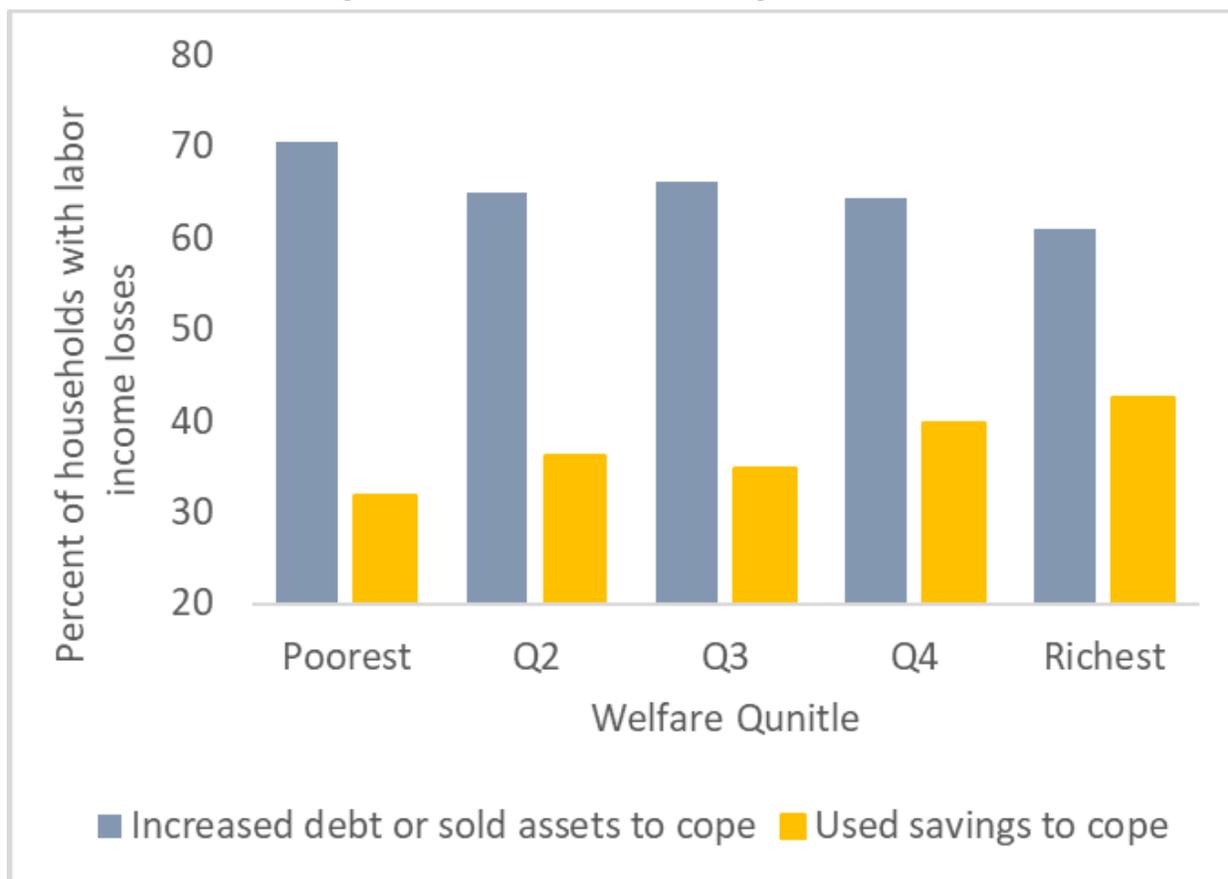


# Income losses have been widespread



# Poorer households have used more damaging coping strategies

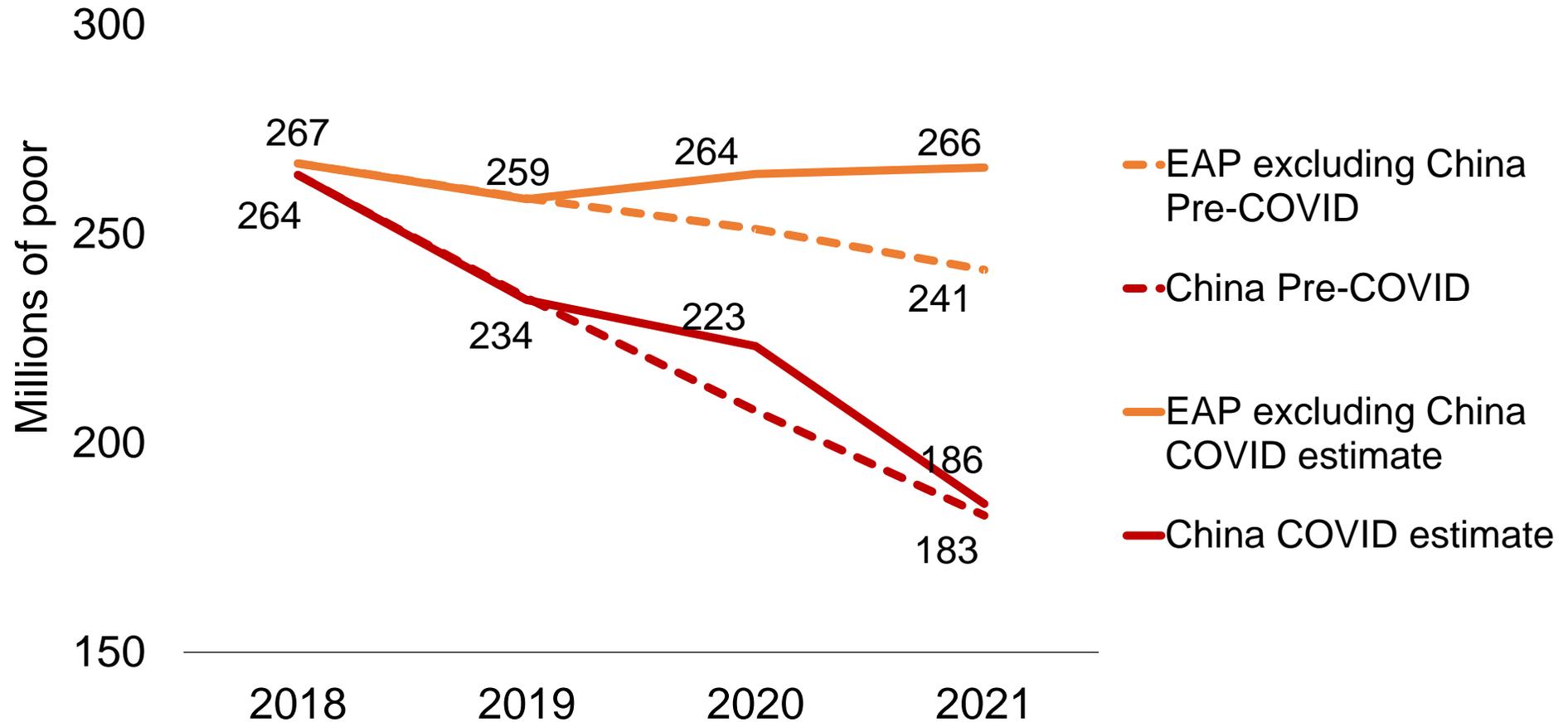
## Increasing debt and selling scarce assets



## Reducing food consumption

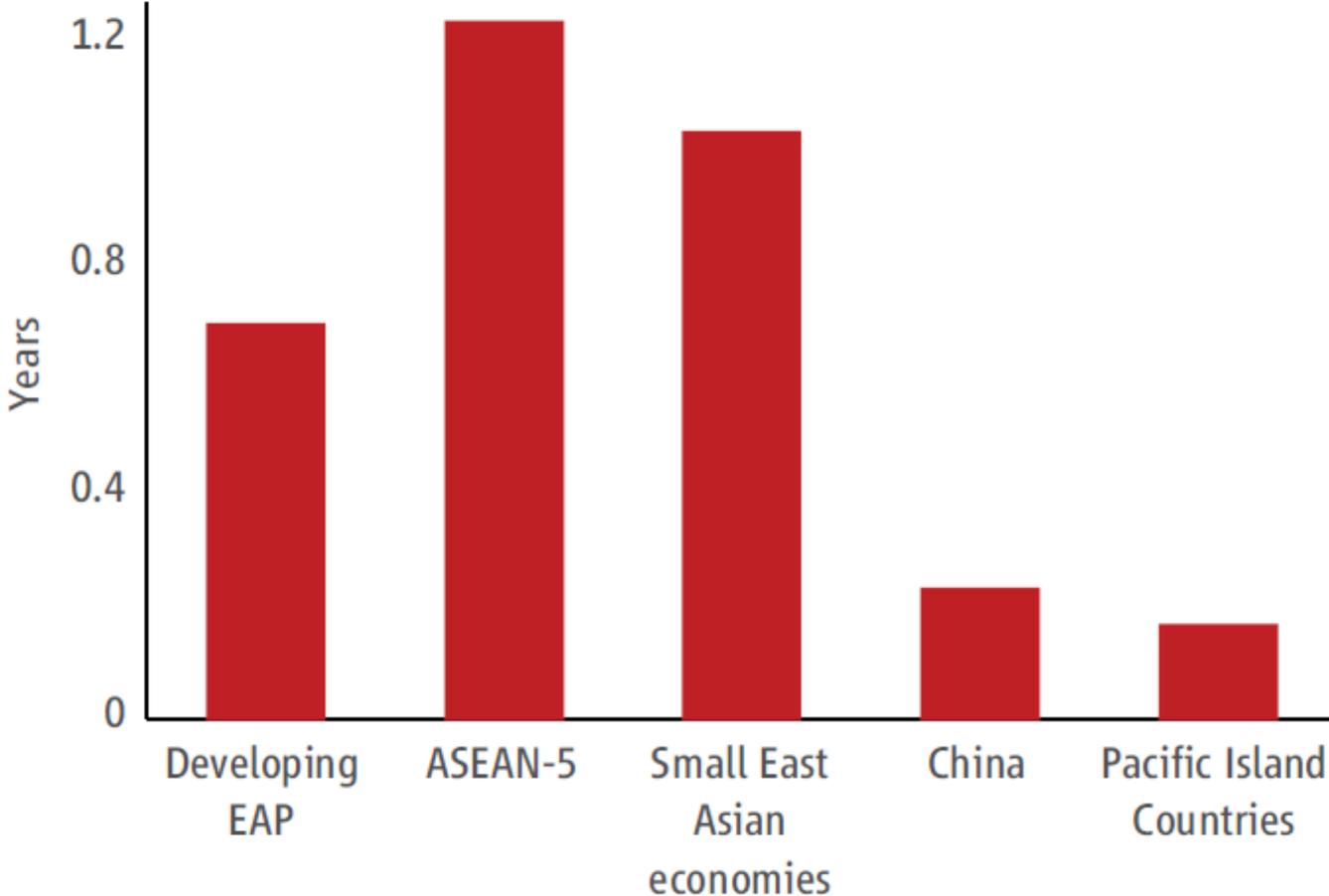


# COVID has interrupted poverty reduction in the region



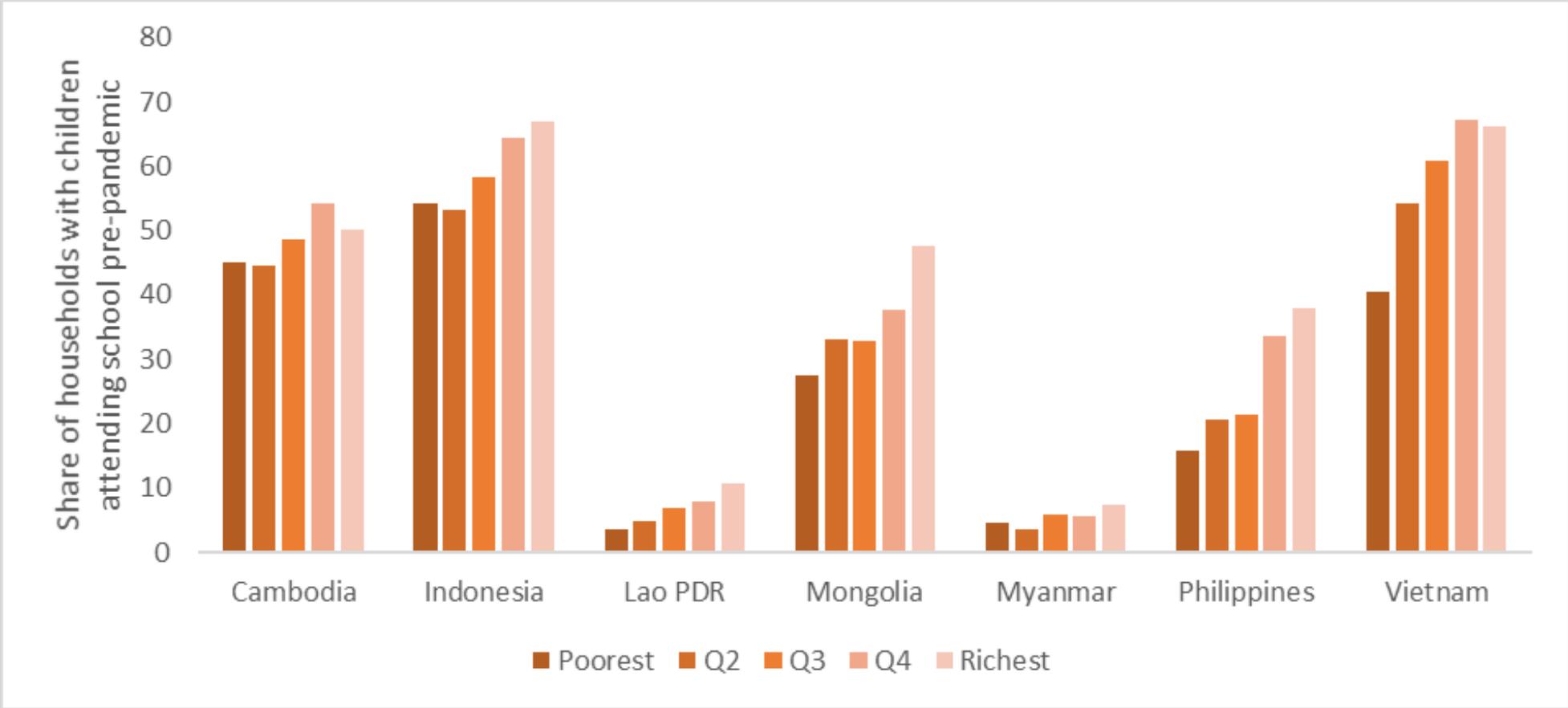
Note: Number of poor (USD 5.50 poverty line)

# Covid is causing significant learning losses

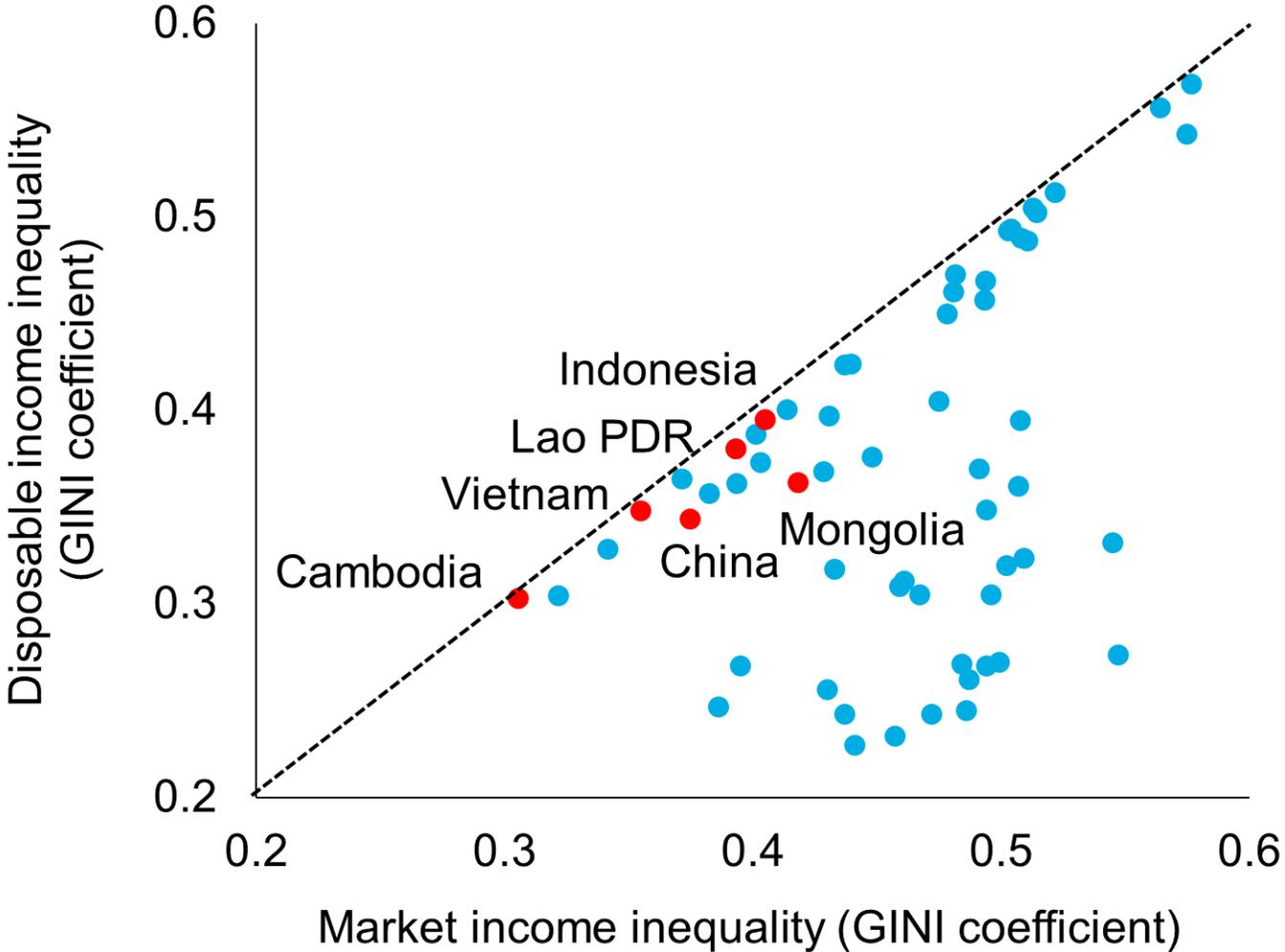


# Poorer households have less access to distance education

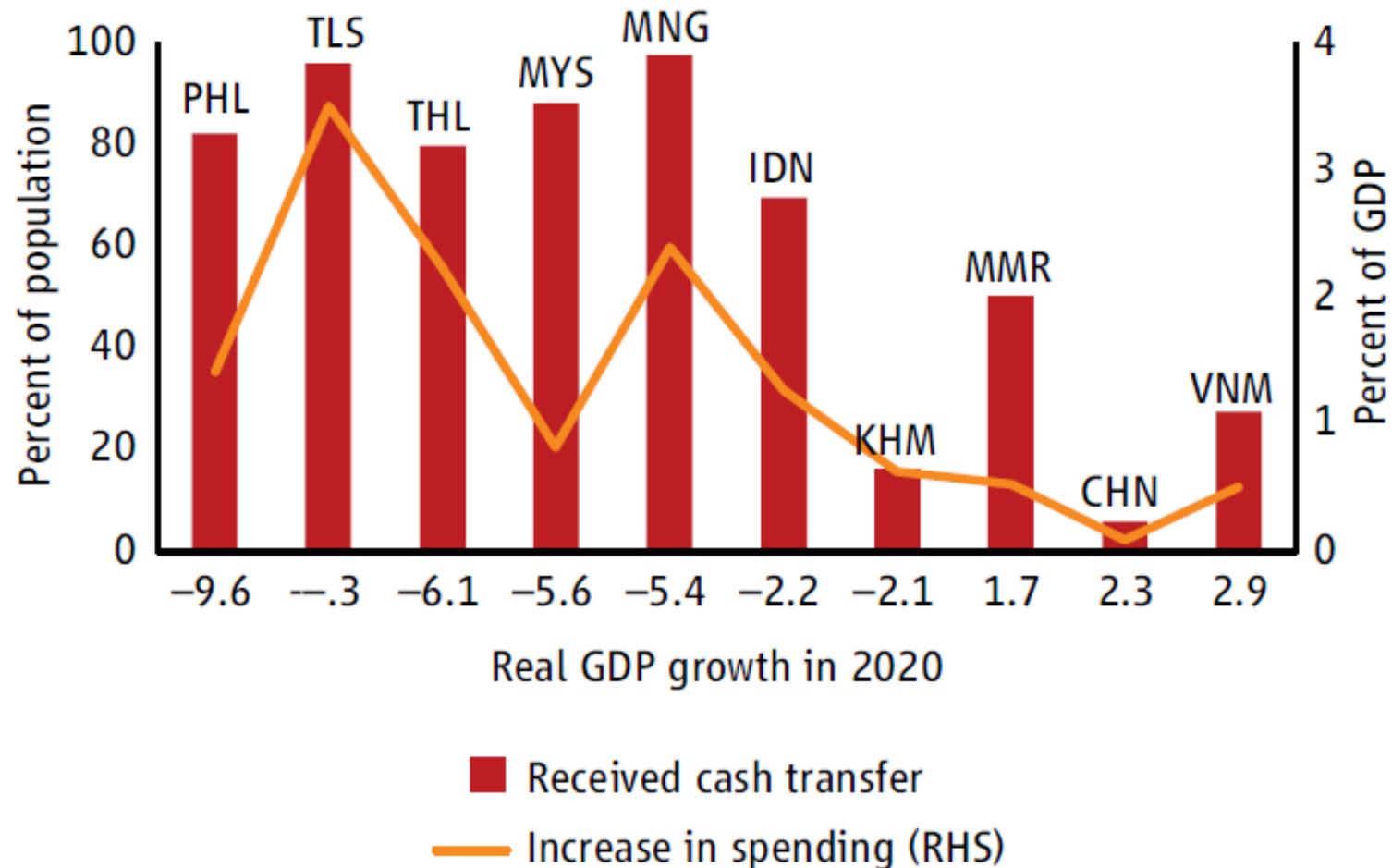
## Access to interactive distance learning



# Pre-COVID fiscal policies had little redistributive impact

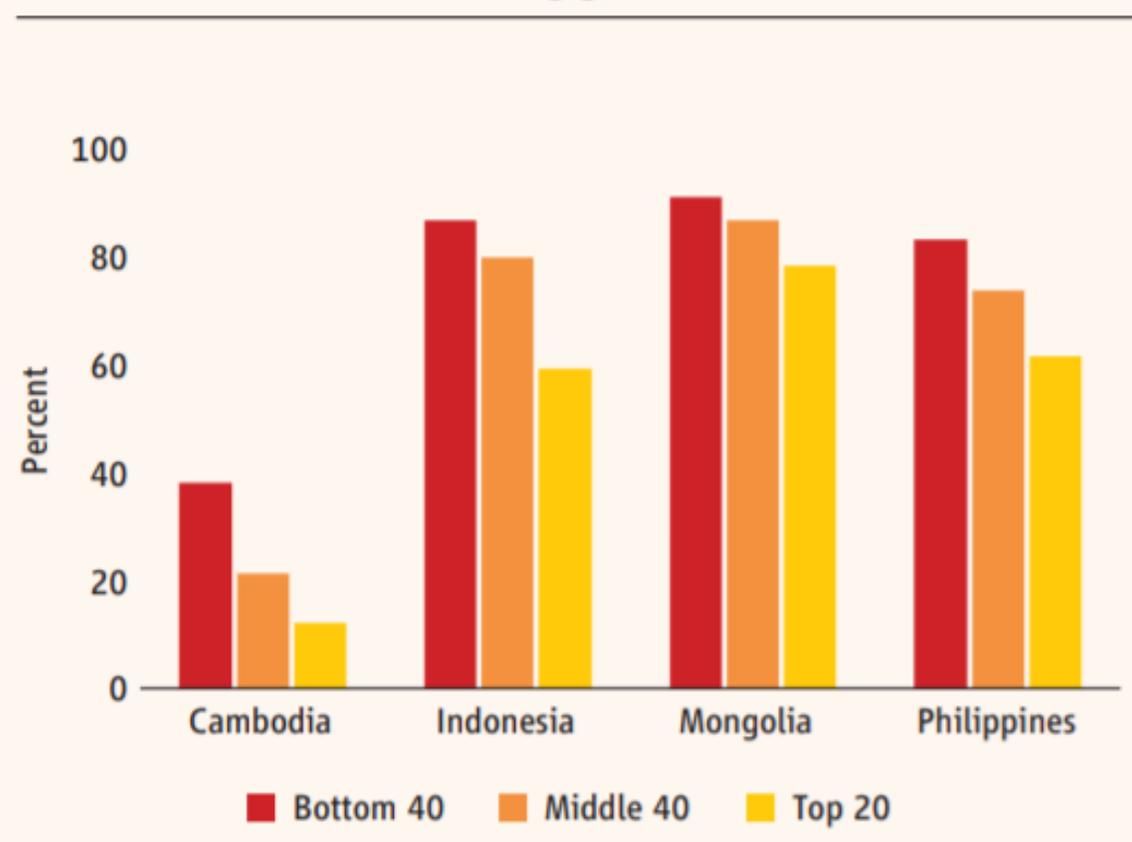


# Countries have increased social assistance during pandemic

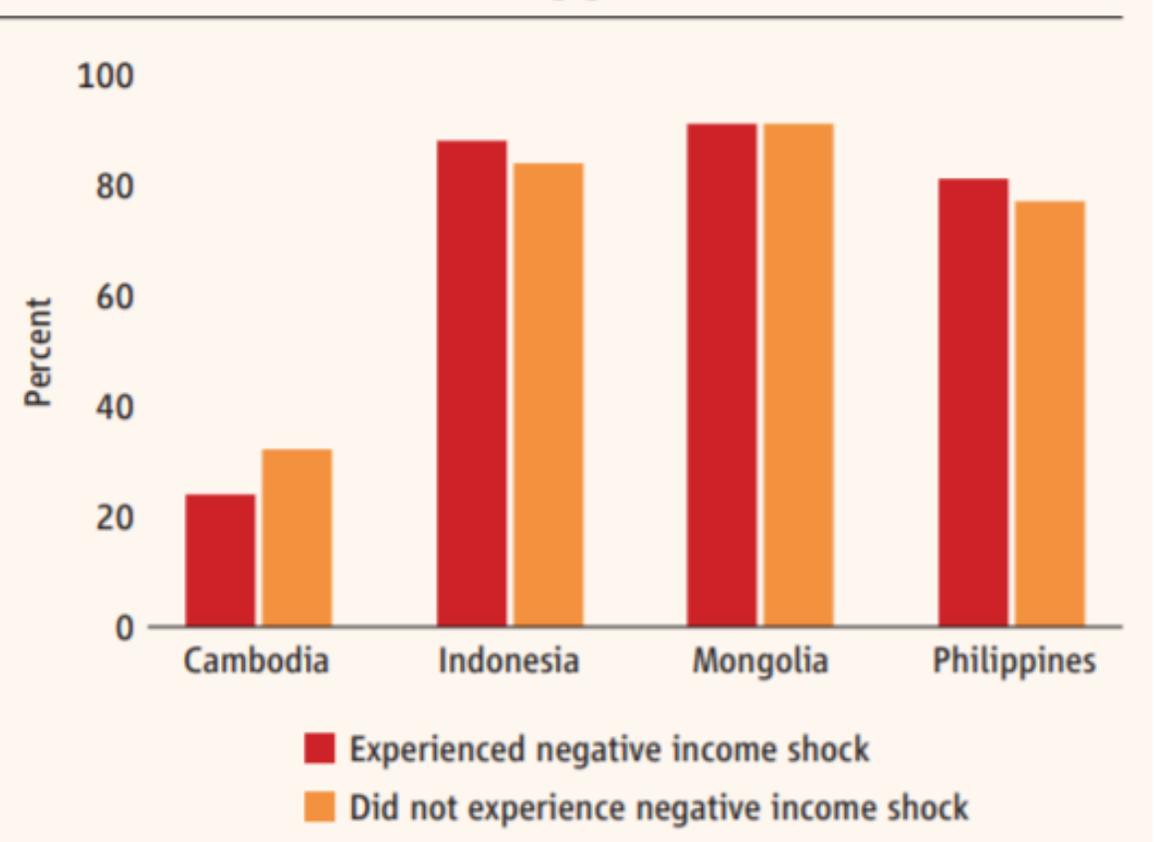


# But targeting of transfers has been poor

A. Share of households receiving government assistance



B. Share of households receiving government assistance



# Conclusion

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## During the pandemic:

- Harmful coping strategies by the poor risk adverse long-term consequences
- Poor children have also faced the greatest education disruptions
- Government responses have been poorly targeted

## Moving forward:

- Governments need to strengthen and better target social protection
- Act forcefully to recoup learning losses, especially among the poor

# References

- Kim, Lydia Y., Maria Ana Lugo, Andrew D. Mason, and Ikuko Uochi. 2021. “Inequality under COVID-19: Taking Stock of High-Frequency Data for East Asia and the Pacific,” Policy Research Working Paper 9859, Washington, DC: World Bank.  
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